

November 7, 2016Attest: 

CalHFA Board of Directors
Minutes of Meeting Held July 13, 2016

The regular meeting of the California Housing Finance Agency Board of Directors was held on the above date via video conference at dual California Housing Finance Agency offices in Sacramento and Culver City. The meeting opened at 10:02 a.m.

Agenda item 1: Roll call was taken and the following Board Members were present:

AnaMarie Avila Farias, Tim Schaefer for Treasurer Chiang, Theresa Gunn for Dr. Vito Imbasciani, Michael Gunning, Jonathan Hunter, Tiena Johnson-Hall, Catherine Ohaegbu for Acting Secretary Podesta, Dalila Sotelo, Stephen Russell, Eraina Ortega for Michael Cohen, Tia Boatman Patterson and Janet Falk. Board members Eileen Gallagher and Ben Metcalf joined the meeting after initial roll call. (Board members present: 14.)

Agenda Item 2: The Executive Director's comments included the following:

- Congratulations to Board members, Janet Falk, Michael Gunning, and Eileen Gallagher, who were all recently confirmed by the Senate.
- Two significant pieces of legislation signed by the Governor affecting CalHFA:
 - 1) The statutory position of Director of Mortgage Insurance has been replaced with needed Director of Enterprise Risk and Compliance due to Mortgage Insurance Fund's insolvency, staff winding it down and the Agency's need for a broader Agency wide risk manager; and
 - 2) The second statutory change eliminates some of the restrictions under down payment assistance programs, including the funds recycled from the program over the last 40 years, affording the Agency more flexibility to work with other programs and entities to utilize these funds.
- The No Place Like Home Initiative legislation, securitizing Mental Health Service Act funds through a bond issuance that was signed by the Governor. Ben Metcalf then expounded: HCD is the lead on this legislation. He indicated that this is the first of two bills needed to authorize The No Place Like Home Initiative that targets MHSA dollars to serve mentally ill, chronically homeless individuals, or those who are at risk of chronic homelessness. Funds will be received once the second bill passes with technical bond enabling language in August. Board asked questions and discussed further. The Executive Director indicated the Board can place on the agenda of any upcoming Board meeting for further Board input as more details come out.
- In 2011 one of the recommendations presented in the audit report issued by the Bureau of State Audit recommended that CalHFA have a trained and knowledgeable Board. This was during the fiscal crisis, so we are now devising a policy for board

training, which includes sending a small number of Board members each year (since the training is out of state) to receive some training associated with housing finance work. Board training usually occurs at the National Council of State Housing Agency (NCSHA), which is coming up in September.

Agenda item 3: A motion was made by Stephen Russell to approve the minutes of the May 17, 2016 Board of Directors with a roll call vote. The minutes were approved. Ayes: AnaMarie Avila Farias, Tim Schaefer, Eileen Gallagher, Michael Gunning, Jonathan Hunter, Ben Metcalf, Dalila Sotelo, Stephen Russell and Janet Falk. Abstentions: Theresa Gunn, Tiena Johnson-Hall and Catherine Ohaegbu. The minutes were approved. (Ayes: 9; Nays: 0; Abstentions: 3.)

Agenda item 4: Closed session re MortgageFlex Systems, Inc. v. CalHFA litigation. This item was deferred until after Agenda item 5 was presented.

Agenda item 5: Tim Hsu, CalHFA Director of Finance, presented Resolution 16-13 seeking approval and authorization for staff to enter into certain agreements with the Federal Home Loan Bank of San Francisco to provide Agency a secured credit facility for financing lending programs. Specifically, this includes authority to perform the Agency's obligations under the agreements, to borrow each advance from Federal Home Loan Bank of San Francisco, to obtain each commitment from the Federal Home Loan Bank of San Francisco, and to pledge any collateral to the Federal Home Loan Bank of San Francisco for these transactions. After Board questions and discussion, a motion was made by Tim Schaefer and Resolution 16-13 was approved with a roll call vote. Ayes: AnaMarie Avila Farias, Tim Schaefer, Eileen Gallagher, Theresa Gunn, Michael Gunning, Jonathan Hunter, Tiena Johnson-Hall, Ben Metcalf, Catherine Ohaegbu, Dalila Sotelo, Stephen Russell and Janet Falk. (Ayes: 12; Nays: 0; Abstentions: 0.)

Board requested and Director agreed that if Agency staff wishes to exceed \$100 million in borrowing, the Executive Director will return to the Board to seek approval.

Agenda item 4: Entered into closed session at 11:02 a.m. to discuss possible settlement regarding MortgageFlex Systems, Inc. v. CalHFA litigation. Closed session completed at 11:19 a.m. and the board returned to open session.

Agenda item 6: Chair, Janet Falk, asked the Board for questions or comments about any of the reports and there were none. No additional Board matters discussed.

Agenda item 7: No public testimony was presented.

The meeting adjourned at 11:21 a.m.